

Request for Proposals for Workers' Compensation Third-Party Administration

Addendum Number 1 – Issued October 1, 2020

The Santa Barbara Metropolitan Transit District (MTD) issues this Addendum No. 1 to its Request for Proposals for Workers' Compensation Third-Party Administration (RFP) issued September 15, 2020. This addendum addresses the questions (Q) by Offerors, with a response (R). This addendum is now incorporated into and part of the RFP. Except as modified by this addendum, all other terms and conditions of the RFP remain unchanged.

Proposals will be accepted at purchasing@sbmtd.gov until Friday, October 9, 2020 at 10:00 AM PDT.

Data Requests

Q1 – “Can you provide a copy of the most recent Public Self Insurers Annual Report? In lieu of that, can you state the number of current open Indemnity claims, Medical Only claims, and Future Medical Claims?”

“How many open claims will the administrator be taking over? Can these claims be broken down by type (Indem, MO, Future Medical)?”

“Please provide the number of open claims as of 8/31/20 by indemnity, future medical and medical only?”

“How many open pending claims will be transferred to the successful bidder? Please provide a breakdown by type.”

“How many claims are currently pending, by claim type?”

“How many of the Indemnity claims are Future Medical Claims?”

“Please provide most recent Office of Self Insurance Plan report.”

“Would you provide a copy of the most recent Self Insurance Plans Annual Report?”

R1 – Data from Annual Report identify 48 Open Claims: Indemnity Claims (23), Medical Only Claims (0), and Future Medical Claims (25)

Q2 – “Can you break down the 9 claims received by the District in 2019-2020 by type (MO, Indem)?”

R2 – In 2019-2020 (9) Indemnity Claims received.

Q3 – “Requesting a (5) year loss run. How many claims are currently open by year and by claim type?”

“Could you provide a 5-year loss run?”

“Would you provide a copy of your most recent loss run showing the open claims?”

R3 – Data from Loss Runs Report identify FY 2019/20 - 8 open claims (8 Indemnity); FY 2018/19 - 13 open claims (Indemnity & FM); FY 2017/18 - 6 open claims (Indemnity & FM); FY 2016/17 - 3 open claims (Indemnity & FM); FY 2015/16 - 5 open claims (Indemnity & FM).

Q4 – “Please provide the average number of new claims per year broken down by indemnity and medical only.”

“What is the breakdown of average annual new claim by type (indemnity, medical only, future medical)?”

R4 – Average number of new claims in the last five FY – 21

Q5 – “What is your SIR limit?”

R5 – \$250,000.00

Price Proposal Requests

Q6 – “What is your definition of Allocated Expenses to be paid off the claim file? Does this include Index Bureau reporting fees?”

“How are claims currently reported to CMS? How are fees paid for reporting?”

R6 – Allocated loss adjustment expenses, such as fees paid to outside attorneys, experts, and investigators used to defend claims, as well as the reporting costs, that are assignable to a specific claim are to be paid off the claim.

Q7 – “I see this is a firm fixed price contract. Are you looking for any pricing on ancillary services: e.g. bill review, utilization review, nurse case management?”

“As a DBE bill review company can we bid only on the bill review portion of this RFP?”

“Who currently provides bill review and UR services? What are their fees?”

“Are bill review fees paid off the claim file or part of the TPA administrative fee?”

“Can we contract out at Client expense for Loss Control services?”

R7 – MTD is seeking a firm, fixed price for administration, that includes Contractor sourcing bill review, utilization review, and nurse case management which will be paid off the claim.

Q8 – “Would the Agency like bidders to submit pricing for managed care services? If so, please provide average annual volume for all services.”

R8 – Pricing for managed care services will not be part of the evaluation for TPA contract.

Scope of Work Requests

Q9 – “Clarify whether we need to come over there for meetings?”

R9 – Yes. Historically, in-person meetings have occurred once a year. During the terms of this Agreement Contractor shall be available for on-site visits to MTD's location, at least annually for an audit. Additional in-person meetings may be request for reasons such as file review; attendance at an MTD Board of Directors meeting to report on the general state of the program or on any particular cases of interest to the Board; or for training MTD risk management staff. All costs incurred for visits to MTD are at Contractor expense. During the COVID-19 health crisis, MTD has substituted all in-person meetings with teleconferencing and electronic means.

Q10 – “What Risk Management Information System do you currently use? How many users require access to the system?”

R10 – MTD does not currently have an RMIS. MTD does not have direct access into a CMIS/RMIS data warehouse. MTD anticipates two users requiring access to a proposed CMIS/RMIS System.

Q11 – “Are you requiring a physical claim file of every file or just when requested?”

R11 – A physical claim file will only be requested when necessary during an audit or in sharing with MTD’s excess carrier or other designated representatives in the management of workers’ compensation.

- Q12 – “Does the MTD have its’ own bank account that the TPA writes checks off of or will the TPA maintain a trust account?”
- R12 – MTD funds a Claim Payment Account and will establish the name of the TPA on the account as an agent of MTD. MTD orders/pays for check stock and provides to the TPA. MTD also pays monthly banking fees associated with the Claim Payment Account. Deposits shall be made to the account by MTD as required to ensure that funds are available for payment of claims for settlement and allocated loss expenses upon presentation of check or warrant. The TPA shall issue checks for and on behalf of MTD.

Proposal Instructions Requests

- Q13 – “Clarify whether companies from Outside USA can apply for this (like, from India or Canada)”
- “Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)”
- R13 – TPAs responding to this proposal must be recognized claims administrators of self-insured workers’ compensation programs, licensed to do such business in the state of California, with at least five (5) years’ experience with California workers’ compensation claims. All key personnel in the staffing plan must be state-certified. Furthermore, the firm must provide references that will attest to their California TPA work.
- Q14 – “Can we submit the proposals via email?”
- R14 – Proposals will only be accepted by MTD in .pdf format by email to purchasing@sbmtd.gov until Friday, October 9, 2020, at 10:00 AM (PDT). If the file size of the email submission exceeds server requirements, the email submission may be broken into smaller emails. It is advisable to submit the proposal in advance of the deadline to allow for the resolution of any email delivery problems.
- Q15 – “Does this RFP have a DBE requirement and if so, how do we attempt to subcontract with a TPA vendor on this?”
- R15 – There is no established Disadvantaged Business Enterprise (DBE) goal. Please see RFP Attachment 4 - Federal Transit Administration Contract Provisions. It is the responsibility of any firm interested in providing subcontracted work to contact the awarded TPA directly.

Current Contract Requests

- Q16 – “Who is the incumbent?”
- “Who is your current TPA and what is their fee?”
- “What is the current expiring fee?”
- R16 – In FY 2019-2020, MTD paid incumbent Workers’ Compensation Administrators, LLC a total of \$61,054.00 in fees.
- Q17 – “Please provide a copy of the Santa Barbara MTD current contract?”
- “Please provide a copy of the current Workers’ Compensation TPA Contract.”
- R17 – Unavailable. The incumbent Contractor has performed TPA services for MTD for 15 years compliant with MTD’s Master Agreement, and the Federal Transit Administration Contract Provisions, that is attached to the RFP as Attachments 3 and 4.
- Q18 – “Do you presently use a Medical Provider Network or have interest in one?”

R18 – MTD does not presently use a Medical Provider Network. MTD would not oppose that proposal, but is not aware of the availability of a comprehensive network in MTD's immediate area.

Q19 – “What are your current challenges on your program?”

R19 – MTD currently does not have online access to claims diary and data.

Q20 – “Why has this RFP been issued?”

R20 – MTD has not reached out for competitive bids for Claims Management since 2005, as an obligation to the public funds and in best practice this RFP has been issued to ensure the best buy for MTD and promote full and open competition.

Unavailable Responses

MTD will not be providing the following:

Q21 – “Please provide volume of bills with associated charges, recommended allowance, Gross and net savings.”

Q22 – “Please provide the current staffing structure of SBMTD’s TPA program (i.e. # of examiners, claim assistants, medical only examiners, claim supervisors, claim managers).”

Q23 – “Please provide volume of medical bills sent to bill review with associated charges, recommended allowance, Gross and net savings, and fees paid for bill review from 7/1/18 – 6/30/19.”

End of Addendum 1